

9100 Tax Relief

This budget provides funding for cities and counties to help defray the loss of revenue as a result of the Homeowners' Tax Relief Program, that provides California homeowners assistance through a \$7,000 exemption from property tax, and the Open Space Subventions Program, that provides tax relief to individuals who agreed to hold their land as open space under the Williamson Act of 1965. In addition, this budget receives loan repayments from individuals that participated in the Senior Citizens' Property Tax Postponement Program, prior to the suspension of this program in February of 2009.

3-YR EXPENDITURES AND POSITIONS

| | Positions | | | Expenditures | | |
|---|-----------|----------|----------|------------------|------------------|------------------|
| | 2012-13 | 2013-14 | 2014-15 | 2012-13* | 2013-14* | 2014-15* |
| 50 Homeowners' Property Tax Relief | - | - | - | \$427,284 | \$425,255 | \$427,381 |
| 60 Subventions for Open Space | - | - | - | 1 | 1 | 1 |
| 70 Senior Citizens' Property Tax Postponement Loan Repayments | - | - | - | -6,500 | -7,900 | -7,200 |
| TOTALS, POSITIONS AND EXPENDITURES (All Programs) | - | - | - | \$420,785 | \$417,356 | \$420,182 |
| FUNDING | | | | 2012-13* | 2013-14* | 2014-15* |
| 0001 General Fund | | | | \$420,785 | \$417,356 | \$420,182 |
| TOTALS, EXPENDITURES, ALL FUNDS | | | | \$420,785 | \$417,356 | \$420,182 |

LEGAL CITATIONS AND AUTHORITY

PROGRAM AUTHORITY

50-Homeowners' Property Tax Relief:

California Constitution, Article XIII, Sections 3 and 25; Government Code Sections 16100-16101.5 and 16120-16122.

60-Subventions for Open Space:

California Constitution, Article XIII, Section 8; Government Code Sections 51244, 51244.3, 16100-16101.5 and 16140-16154; Revenue and Taxation Code Sections 421-430.5.

70-Senior Citizens' Property Tax Postponement Loan Repayments:

Revenue and Taxation Code Section 20501-20646.

DETAILED BUDGET ADJUSTMENTS

| | 2013-14* | | | 2014-15* | | |
|--|--------------|-------------|-----------|----------------|-------------|-----------|
| | General Fund | Other Funds | Positions | General Fund | Other Funds | Positions |
| Workload Budget Adjustments | | | | | | |
| Other Workload Budget Adjustments | | | | | | |
| • Miscellaneous Baseline Adjustments | \$- | \$- | - | \$2,126 | \$- | - |
| Totals, Other Workload Budget Adjustments | \$- | \$- | - | \$2,126 | \$- | - |
| Totals, Workload Budget Adjustments | \$- | \$- | - | \$2,126 | \$- | - |
| Totals, Budget Adjustments | \$- | \$- | - | \$2,126 | \$- | - |

PROGRAM DESCRIPTIONS

50 - HOMEOWNERS' PROPERTY TAX RELIEF

In order to reduce California taxpayers' property tax burden, the California Constitution exempts homeowners from paying property taxes on the first \$7,000 of the assessed value of their principal place of residence. The Constitution requires the state to reimburse local governments for revenues lost due to the homeowners' exemption.

60 - SUBVENTIONS FOR OPEN SPACE

The Williamson Act permits cities and counties to enter into contracts with landowners to limit the use of land to agricultural, scenic, and open space purposes. Article XIII, Section 8, of the California Constitution permits land under such restrictions to be assessed at other than market value based on its limited uses. The state provides reimbursements to cities and counties to partially defray the loss of property tax revenues. The Department of Conservation administers this program.

* Dollars in thousands, except in Salary Range.

9100 Tax Relief - Continued

70 - SENIOR CITIZENS' PROPERTY TAX POSTPONEMENT LOAN REPAYMENTS

The Senior Citizens' Property Tax Postponement Program allowed eligible homeowners to defer payment of residential property tax. The state paid the deferred taxes to local governments on behalf of the participants, and placed a lien on their property to assure repayment when the property is sold or transferred. The Senior Citizens' Property Tax Postponement Loan Repayments Program captures repayments from individuals that participated in the Senior Citizens' Property Tax Postponement Program prior to the suspension of this program in February of 2009.

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

| 2 LOCAL ASSISTANCE | | 2012-13* | 2013-14* | 2014-15* |
|--|-------------------|------------------|------------------|------------------|
| | 0001 General Fund | | | |
| APPROPRIATIONS | | | | |
| 101 Budget Act appropriation | | <u>\$438,852</u> | <u>\$425,256</u> | <u>\$427,382</u> |
| Totals Available | | \$438,852 | \$425,256 | \$427,382 |
| Unexpended balance, estimated savings | | <u>-11,567</u> | <u>-</u> | <u>-</u> |
| TOTALS, EXPENDITURES | | \$427,285 | \$425,256 | \$427,382 |
| Loan Repayment per Revenue and Taxation Code Section 20501-20646 | | <u>-6,500</u> | <u>-7,900</u> | <u>-7,200</u> |
| NET TOTALS, EXPENDITURES | | \$420,785 | \$417,356 | \$420,182 |
| TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance) | | \$420,785 | \$417,356 | \$420,182 |

* Dollars in thousands, except in Salary Range.